

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON BUSINESS AND LABOR**

**Call to Order:** By **CHAIRMAN JOE MCKENNEY**, on January 27, 2003 at 10:00 A.M., in Room 172 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Joe McKenney, Chairman (R)  
Rep. Jim Keane, Vice Chairman (D)  
Rep. Donald Steinbeisser, Vice Chairman (R)  
Rep. Bob Bergren (D)  
Rep. Rod Bitney (R)  
Rep. Sylvia Bookout-Reinicke (R)  
Rep. Nancy Fritz (D)  
Rep. Dave Gallik (D)  
Rep. Kathleen Galvin-Halcro (D)  
Rep. Ray Hawk (R)  
Rep. Bob Lawson (R)  
Rep. Rick Maedje (R)  
Rep. Gary Matthews (D)  
Rep. Scott Mendenhall (R)  
Rep. Penny Morgan (R)  
Rep. Allen Rome (R)  
Rep. Sandy Weiss (D)  
Rep. Bill Wilson (D)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Bart Campbell, Legislative Branch  
Alberta Strachan, Committee Secretary

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing & Date Posted: HB 186, 1/24/03; HB 404, 1/24/03  
Executive Action: None

**HEARING ON HB 186**

**Sponsor:** REP. GARY MATTHEWS, HD 4, Miles City

**Opening Statement by Sponsor:**

**REP. MATTHEWS** said this bill was an act generally revising the laws governing the licensing and regulation of motor vehicle dealers, authorizing withdrawal of dealer and demonstrator plates and 20 day permits in certain conditions, requiring dealers to pay off outstanding balances on trade-in or consigned vehicles within a certain period; requiring a secured party who has been paid in full to deliver a lien release within a certain period; removing the requirement that a dealer license be limited to a one-year term and allowing the license to remain valid until suspended, revoked, or canceled upon surrender, increasing bond requirements for new and used motor vehicle recreational vehicle, and trailer dealers to \$50,000 and for motorcycle dealers to \$15,000 revising the reporting requirements concerning dealer plates.

***{Tape: 1; Side: A; Approx. Time Counter: 15 - 76}***

**Proponents' Testimony:**

**Dean Roberts, Motor Vehicle Division, Department of Justice,** explained the new sections of the bill and distributed a letter from Debbie Weyer, Wibaux, MT.

**EXHIBIT** (buh17a01)

***{Tape: 1; Side: A; Approx. Time Counter: 76 - 148}***

**Brenda Nordlund, Assistant Attorney General, Attorney General's Office, Department of Justice,** distributed some amendments.

**EXHIBIT** (buh17a02)

***{Tape: 1; Side: A; Approx. Time Counter: 148 - 271}***

**Roger McGlenn, Executive Director, Independent Insurance Agents Association,** said they support this bill as amended. The global amendment is the most important.

***{Tape: 1; Side: A; Approx. Time Counter: 271 - 421}***

**Steve Turkiewicz, Executive Vice President, Montana Auto Dealers Association,** said they support this bill. This bill effects the consumer environment and changes in the value of used vehicles.  
{Tape: 1; Side: A; Approx. Time Counter: 421 - 488}

**Jim Robinson, Executive Director, Independent Auto Dealers Association,** said they work very closely with the Motor Vehicle Division and the Department of Justice. He stressed the importance in the bill of the timely payoffs of trade-ins and consigners.  
{Tape: 1; Side: A; Approx. Time Counter: 488 - Tape: 1; Side: B; Approx. Time Counter: 41}

**Bob Pyfer, Montana Credit Union Network,** said his testimony relates exclusively to Section 2 of the bill.  
{Tape: 1; Side: B; Approx. Time Counter: 42 - 62}

**John Cadby, Montana Bankers Association,** said if and when all of the dealers do the title work electronically the process will be greatly expedited.  
{Tape: 1; Side: B; Approx. Time Counter: 62 - 100}

**Stewart Doggett, Montana Manufactured Housing and R.V. Dealers Association,** said they support this bill.  
{Tape: 1; Side: B; Approx. Time Counter: 100 - 115}

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

**REP. BOOKOUT-REINICKE** asked Mr. Robinson how much more the bonding will cost a small used car dealer. **Mr. Robinson** said it would cost \$6.00 for every \$1000.00.  
{Tape: 1; Side: B; Approx. Time Counter: 120 - 166}

**REP. MORGAN** asked Ms. Nordlund about filing reports by January 1st. **Ms. Nordlund** said that is a current business practice.  
{Tape: 1; Side: B; Approx. Time Counter: 166 - 210}

**REP. GALVIN-HALCRO** asked Ms. Nordlund about fees and taxes that are abated. **Ms. Nordlund** said the registration fees to which this bill is referring are the fees the dealers pay as part of their license renewal process.  
{Tape: 1; Side: B; Approx. Time Counter: 210 - 332}

**Closing by Sponsor:**

The sponsor closed.

***{Tape: 1; Side: B; Approx. Time Counter: 332 - 350}***

**HEARING ON HB 404**

**Sponsor:** REP. DEE L. BROWN, HD 83, Hungry Horse

**Opening Statement by Sponsor:**

REP. BROWN said this bill was an act requiring a current or former employer to provide a requesting law enforcement agency with employment information relating to a current or former employee seeking a peace officer position with the agency; and providing limited immunity from civil damages for private employers.

***{Tape: 1; Side: B; Approx. Time Counter: 355 - 394}***

**Proponents' Testimony:**

REP. ALAN OLSON, HD 8, Roundup, said rural Montana faces many of these issues of this bill. It is difficult getting background information. The wages they offer in rural communities are considerably less than most of the larger departments. They get excellent applicants but at the same time there is the need to do additional background work.

***{Tape: 1; Side: B; Approx. Time Counter: 394 - 421}***

Lt. George Tate, Havre Police Department, said part of his duties and responsibilities are to conduct background investigations on applicants. In the course of doing these investigations, there have been difficulties with major corporations all the way down to the small businessman who had once employed these applicants.

***{Tape: 1; Side: B; Approx. Time Counter: 421 - 476}***

Bill Dove, Deputy Chief, Investigative Division, Bozeman Police Department, said they support this bill.

***{Tape: 1; Side: B; Approx. Time Counter: 477 - 489}***

Jim Kembel, Montana Association of Chiefs of Police, said they support this bill.

***{Tape: 1; Side: B; Approx. Time Counter: 490 - 515}***

Al Smith, Montana Trial Lawyers Association, said this bill is good public policy. He said he is unaware of any suits in which

an employer was sued over a bad reference. This bill helps to ensure good reference checks.

**{Tape: 2; Side: A; Approx. Time Counter: 1 - 70}**

**Opponents' Testimony:** None

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

**REP. MENDENHALL** asked REP. BROWN what the penalty may be if a company does not comply with a background check. **REP. BROWN** said there would be amendments established regarding this.

**{Tape: 2; Side: A; Approx. Time Counter: 75 - 162}**

**REP. KEANE** asked Mr. Dove about granting higher pay to lower qualified applicants. **Mr. Dove** said a background check sometimes indicates an applicant has left a higher paying job for a lower paying job. Sometimes this is an indication to check into the reasoning for the change.

**{Tape: 2; Side: A; Approx. Time Counter: 162 - 214}**

**REP. BITNEY** asked Mr. Dove about acquiring military records and the time frame to get the records. **Mr. Dove** said it did take a longer period of time to get military records.

**{Tape: 2; Side: A; Approx. Time Counter: 214 - 303}**

**CHAIRMAN MCKENNEY** asked Mr. Smith about legislation which was passed in 1999 concerning immunity for employers having the ability to acquire proof for job references. **Mr. Smith** said the legislation in 1999 is limited to non-public employers.

**{Tape: 2; Side: A; Approx. Time Counter: 303 - 408}**

**Closing by Sponsor:**

The sponsor closed.

**{Tape: 2; Side: A; Approx. Time Counter: 408 - 424}**

**ADJOURNMENT**

Adjournment: 11:50 A.M.

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REP. JOE MCKENNEY, Chairman

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ALBERTA STRACHAN, Secretary

JM/AS

**EXHIBIT (buh17aad)**